श्री नरेन्द्र मोहन: सभापति जी, मंत्री जी ने असम के बारे में जो कुछ बताया और चिन्ता भी व्यक्त की तथा यह बताया कि रेलवे की सेवाएं अखिल भारतीय हैं अत: वे उसका राज्यवार ब्यौरा नहीं दे सकतीं कि किस भाग से कितनी भर्ती हुई लेकिन उन्होंने कहा कि असम में एक विशेष रिक्रूटमैंट बोर्ड की स्थापना गुहावटी में की गई है। अत: प्रश्न यह है कि क्या उस क्षेत्र की समस्याओं को देखने के लिए भारत सरकार अपनी नीति में कोई परिवर्तन करने की सोच रही है? आवश्यकता इस बात की है कि वह क्षेत्र, जहां के युवकों में बेकारी सर्वाधिक है क्या उनकी समस्याओं के निदान के लिए भारत सरकार, और विशेष रूप से रेलवे मंत्रालय अपना कोई दायित्व मानती है?

KUMARI MAMATA BANERJEE: Sir, the incidence of the problem of unemployment is very high in our country. It is prevalent in all parts of the country.In the North-Eastern region, there is a problem of insurgency and the youth in that part of the country are facing acute problems. That is why I would like to assure this House that we will review the situation, and if possible, do everything for this particular purpose.

Performance of Chairmen and M.Ds. of PSUs

*82. SHRI J. CHITHARANJAN:†
SHRI P. PRABHAKAR REDDY:

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether Government have decided to review the performance of Chairmen and Managing Directors heading Public Sector Undertakings (PSUs) in the fertilizer, drugs, pharmaceuticals, chemicals and petro-chemicals sectors; and

(b) if so, the details thereof and the steps being taken in this direction?

THE MINISTER OF CHEMICALS AND FERTILIZERS (SHRI SURESH PRABHU): (a) to (b) A statement is laid on the Table of the House.

Statement

(a) and (b) The review of the performance of Chairman and Managing Directors/ Chief Executives of Public Sector Undertakings (PSUs) is a continuous process during the currency of their respective tenures and includes their Annual Confidential Reports (ACRs). The performance reported in the ACRs encompasses the role of the individual as well as other qualitative attributes. Since the Ministry of Chemicals & Fertilizers has a number of loss-making/sick PSUs under its control, the performance of their CMDs would be subjected to stricter monitoring and closer scrutiny within the laid down framework.

SHRI J. CHITHARANJAN: Sir, I find that the reply given by the Minister is a little bit evasive. The Minister has not answered part (b) of the question. Anyhow, the hon. Minister has said the review of the performance of Chairman and Managing Directors/

† The question was actually asked on the floor of the House by Shri J. Chitharanjan.

Chief Executives of Public Sector Undertakings is a continuous process. He has also stated that since the Ministry of Chemicals and Fertilizers has a number of loss-making sick/PSUs under its control, the performance of their CMDs would be subjected to stricter monitoring and closer scrutiny within the laid down framework. The IDPL happens to be one of the public sector undertakings under your Ministry, and at present, it is a sick industry. I think according to the statement that the Minister has made, he might have already made a study about the functioning of that, that is, the role played by the Chief Executives and I would like to know from the hon. Minister the details of the conclusions that he has arrived at.

SHRI SURESH PRABHU: Sir, what we are really talking about is a system of monitoring of the performance of the public sector undertakings as well as the Chief Executives who head such organisations. There has been a system in vogue, which has been in practice for several years now which is popularly known as the MOU system; the Memorandum of Understanding which is signed between the PSU and the Government from time to time. It lays down certain parameters. All these parameters are essentially financial. It says that 60 per cent of the marks will be given for the performance of that PSU, 13 per cent for its gross profit, 13 per cent for its net profit and 14 per cent for other non-financial parameters. This is one part of the MOU. As far as the Chief Executive of that undertaking is concerned, his performance is evaluated yearly on the basis of his annual confidential report. In between, there is a quarterly review which the Secretary of the Minisitry takes with the PSU. This system has been in vogue for some time, and it has become quite a ritualistic system. We really need to have a proper review of that which can pinpoint this thing very clearly: If the performance of a particular PSU is good, how should it be ranked from the rest of the PSUs as well as the CMD's performance within the PSU? We hardly give any marks to the CMD's performance. Sir, to give an example, in the annual confidential report, almost 75 per cent of the marks are given to the performance of the PSU and only 25 per cent marks are for the CMD's own performance. Sir, a situation may arise when out of 25 per cent of the marks, he may get zero. But because the performance of his PSU is so good that he will get 75 marks and he will be rated as excellent. So, it is a paradox that the system is providing for incentives, when in a good performing PSU, the CMD's performance itself is not good. Therefore, there is a need for a review of the system and that is why the question was asked. So, the thrust of the question is not related to an individual PSU but the system.

As far as the IDPL is concerned, it is one of the sick companies, operated as sick company for quite some time. One estimate is that the break-even point of the IDPL is something like Rs. 300 crores whereas, as per today's performance, if you really look at it, it is not even touching, may be, 5 per cent of that. That is why we really need to look at it very closely. How it can be turned around and how it can start making profits to protect the interests of the Government employees as well as the shareholders of

the Government or the society as a whole, we are really looking at it very closely. The thrust of the question as well as the thrust of the answer is on the system, and that is not related to individual PSUs. However, since you have drawn attention to IDPL, which again, as I said, is a continuous process, we are monitoring it very closely because of the amount involved—it is a large company—and it used to be one of the prime companies in that sector, we are looking into as to how best it can be turned around.

SHRI J. CHITHARANJAN: Sir, in the case of IDPL, what I understand is the Government has already got a revival scheme before it and it has now entrusted the job of reviewing and looking into it to somebody else, and he has also submitted his final report. What decision has been taken by the Government?

SHRI SURESH PRABHU: Sir, the hon. Member must be aware that IDPL is a company which has already been referred to the BIFR. There has been an operating agency, IDBI, which is operating this company. We need to put every report that we receive, before the IDBI, i.e. the operating agency. However, as I said earlier, considering the magnitude of the problem, and since the hon. Member has already drawn my attention to this issue, I intend to have, in between also, a review of that, a meeting of the operating agency as well as of some of those who approached me to look into it afresh.

SHRI P. PRABHAKAR REDDY: Sir, as the hon. Minister has pointed out, under the Ministry of Chemicals and Fertilisers, there are certain loss-making companies and there are also certain companies which are doing well, but the cash-rich companies are trying to move away from the focus area, e.g. IFFCO and KRIBHCO, whose main focus is integrated agricultural development, are planning to move into areas like power generation and insurance. Will this be permitted when the performance of the PSUs is being reviewed? Will this aspect also be taken into consideration? This is my question, Sir.

SHRI SURESH PRABHU: Sir, first of all, IFFCO and KRIBHCO cannot be strictly termed as PSUs in the conventional sense of the term. They are both registered mutli-State cooperative societies, have independent Board of Directors. The Board of Directors are elected by members who hail from various cooperative societies, the grass-root cooperative societies. This is the different character of these two institutions. Whether a cooperative of this type should be allowed to get into these areas or not, that depends largely upon the objective clause of the Memorandum of Association of that society as well as upon the particular sector which is not related to that, the Government will have some role to play, but the power generation programme that the IFFCO is doing, if I am not mistaken,—I am just saying it on the basis of my memory—is essentially for meeting the capital needs. They are trying to meet the capital demands from that. Insurance is of recent origin. I am not aware whether the IFCO and KRIBHCO are planning to get into insurance.

SHRI VED PRAKASH P. GOYAL: Sir, the question refers to the highest position in the PSUs. I want to know whether it is a one-stage performance appraisal. Most of the HRD experts believe that there should be a two-stage performance appraisal. The persons above the man could be biased. I want to know whether it is a two-state appraisal system or not. Along with that, after the appraisal, is there any counselling to the person? And, here, the answer given to a question linked with that, is "stricter monitoring and closer scrutiny". Monitoring and scrutiny is all right. But is there any-action taken report? For instance, year after year, we see in the Committee, between the annual targets and the achievements there is always a gap, and rarely the annual targets are achieved. Do the people who achieve them get any benefit? And is there any action taken against those who do not achieve them? Scrutiny is only the starting point.

SHRI SURESH PRABHU: Sir, it is absolutely a very valid observation and I do share my own view that this is really true that the targets which are set on such a basis that we probably go by the historical facts and we try to add some 15 to 20 per cent to the previous figure and then try to attain that target.

We can hardly made a comparison of the performance of that particular PSU within the country. We have to find out if that PSU is operating in fertilizers, although fertilizer is not a comparable sector, because it is totally controlled. But in the case of chemicals, for example, we can hardly compare the performance of that particular PSU with the standards laid down for the other PSU. Therefore, the target that we set need to have some sort of correlation with the industry parameter that we have. This is absolutely a valid point and that is what we intend to do. That is one of the improvements on which, right now, we are working.

Sir, the second part is about the appraisal of the CMD. The system that is available today needs a change and a drastic change. I have intitiated the process in the Ministry. We really need to consult the Ministry of Public Enterprises because they are the nodal Ministry to look into such parameters. But we need to look into this because we realise that there are certain shortcomings in the system which does not pave way for talent to be rewarded, or a wrong doer to be punished. *(Interruptions)*

SHRI VED PRAKASH P. GOYAL: I would like to know whether any action has been taken or not.

SHRI SURESH PRABHU: We will look into it. As I said, the system itself needs some change. Today, there is no such thing, like what we are contemplating. We think that the change that we are contemplating will be a part of the system.

MR. CHAIRMAN: Shri Jayant Kumar Malhoutra.

SHRI JAYANT KUMAR MALHOUTRA: Sir, a very important question has been put, but I am disapointed by the archaic answer given by the Minister. We are now

living in a different world. This is not the world of 50's, 60's and 70's, when these PSUs were formed and we could provide safe sinecures to our retired IAS officers, or, to other friends, to head these institutions to run them. In this globalised atmosphere, they have to fight against the best, not only in India, but all over the world. Therefore, those parameters that the hon. Minister is talking about are also very archaic. We have now to consider whether the Chairman there is competent, *per se,* to handle the intricacies of technology and knowledge-based industries. In 90 per cent of the cases, or, perhaps more, we will find that they are not capable. Therefore, a serious in-house study must be undertaken and steps taken otherwise. All these industries will find their route to the BIFR.

SHRI SURESH PRABHU: Sir, the hon. Member has made some introductory remarks in the latter part of his question. He said, 'to remedy this, some serious in-house measures have to be undertaken.' As opposed to this, there is in-house talent available within the PSU to undertake such studies, as you yourself have pointed out. *(Interruptions).*

SHRI YAJANT KUMAR MALHOUTRA: ...whether in-house, nationally, or, internationally; it does not matter from where. You must put up the best consultants, the best advisors and revamp these PSUs.

SHRI SURESH PRABHU: That is what I mean. What I want to put before the House and suggest is that, we are undertaking a comprehensive change in the existing system. The selection of CMDs is a part of the process. A CMD is selected by a process which is initiated by the Ministry of Public Enterprises and the system is also a part of the process that we are talking about. We need to revamp that system, which includes selection, subsequent evaluation, or, punishment, if necessary, or, reward for good performance. These are all part of a system. Also ...*(Interruptions)*...

SHRI JAYANT KUMAR MALHOUTRA: Has the Government taken any action?

SHRI SURESH PRABHU: That is what I had taken up, but in between you are putting a question. *(Interruptions).*

SHRI JAYANT KUMAR MALHOUTRA: I want to know whether ...*(Interruptions)*...

MR. CHAIRMAN: Don't you want to ask a supplementary? *(Interruptions)*

Why are you interrutping then?

SHRI JAYANT KUMAR MALHOUTRA: I want to bring to the notice of the hon. Minister that the loss-making Steel industries in the UK did not wait for all these systems to change. Overnight, they change the management; get the top man in the world; hire him at the highest price; revamp and make a loss-making industry into a profit-making one and then send it out into the private sector. Here, you see that SAIL, which was named as one of the Navratnas is going to lose Rs. 1500 crores. Sir, we

don't have time. Globalisation has already taken place. We cannot wait for those answers. We cannot say that we are doing this, and we will do this in the next ten years. You talk of the next ten days, or, something like that.

SHRI SURESH PRABHU: Unfortunately, the name of our country is India and not U.K. So, we have to follow the system that is prevailing in our country. *(Interruptions).* We can certainly ...*(Interruptions)*... We will certainly ...*(Interruptions)*... learn from the experience of the other country. We have to formulate a system within the country and we have to operate within the system. If that means that the changed system should be faster, I appreciate that. But that does not mean that we should have no system at all to work with, in the Government.

SHRI DIPANKAR MUKHERJEE: Sir, I understand the question, it is about the accountability of the Chief Executives and there cannot be two opinions, that whether he is a Minister or a Member of Parliament or a Chief Executive of a public sector company, there has to be accountability. Accountability has to be linked with the objectives. Sandwiched, as I am now, between the first generation reformers and the second generation reformers, I have a point to make. If the objective of the Government, as it is in the public sector, is that the Chief Executive is to preside over the liquidation of a public sector company, the accountability gets mixed up. My question is pertaining to a particular company, KRIBHCO which is under you. The Government has got 80% equity. I will put only a question pertaining to the years from 1994-95 to October, 1998. THE KRIBHCO officials have undertaken 364 foreign visits for making plans for Oman-India, for acquiring the assets of sick plants in the USA, Russia and Tunisia. They undertook 364 visits costing Rs. 5.69 crores of foreign exchange and the result today is, no acquisition of an American sick plant or Russian sick plant. There is no Iran plan. We don't know when it is going to the zero date. The whole thing in relation to Oman-India was started in 1994. Today, we are in 1999. I don't know whether the financial closure has been obtained and whether this will be opened. My question is this. Do you want to fix the accountability of the Chief Executive of KRIBHCO or not? Would you look into the policy, where the first generation reformers this side or the second generation reformers in Government are involved? Accountability should be linked with the objectives. It cannot be isolated. Would you look into this particular case? I am not going into any other company. Would you just assure me that you will look into this case? This company has got Rs. 1,300 crores of investible surplus. This company pays income-tax to the tune of Rs. 80 crores per year without investing. There is not a single project with it relating to sick fertilizer plants. Mr. Venkaiah Naidu is not here. The Ramagundam plant, the Talcher plant, etc., are not there. I will not talk about Durgapur. Madam Minister is also sitting by your side. No package or accountability can work, unless the policy is clear. Would you kindly look into this case and let us know what the accountability *per se* of KRIBHCO *vis-a-vis* Chief Executive as well as the Government will be?

SHRI SURESH PRABHU: Sir, the foreign travel does not necessarily mean that it is just a foreign jaunt. It could be for some genuine business. As my hon. friend has pointed out, I will look into this and I will get satisfied myself as to why these foreign trips were undertaken. As far as the overall diversification plans are concerned, in fact, this has been one of the points that has been suggested by the Joint Parliamentary Committee that we should have our fertilizer plants based on natural gas as much as possible and that they should be located as close as possible to the place where the natural gas is available in abundance. Of course, that could be one of the reasons why they had undertaken these trips. I will look into that very closely and I will get satisfied myself.

SHRI DIPANKAR MUKHERJEE: Why don't you give some money from KRIBHCO to Durgapur? Madam Minister is sitting by your side. There is a surplus of Rs. 1,300 crores. It has asked for Rs. 8 crores. Rupees six crores have been spent on foreign jaunts and no money could be given to Durgapur. This is the point which has to be looked into. Would you kindly look into this?

SHRI SURESH PRABHU: I will look into this.

श्रीमती कमला सिन्हा: सर, देर आए दुरुस्त आए। किसी की तो रिस्पांसिबिलिटी फिक्स करने के लिए मंत्री जी ने फैसला किया है। यह फैसला किया है कि चेयरमैन एण्ड मैनेजिंग डायरेक्टर आफ पब्लिक सेक्टर अण्डरटेकिंग्स की जिम्मेदारी तय की जाएगी अगर उनकी कंपनी ठीक से काम नहीं कर रही है मैं एक बात सरकार के ध्यान में लाना चाहूंगी और यह बताना चाहूंगी कि केवल टाप लेविल मैनेजमेंट के दोष के कारण ही कोई कन्सर्न या पी.एस.यू. बीमार नही होती है। a lot of reasons are also there. For example हमारे बिहार में फर्टिलाइजर की एक कंपनी है जिसकी एक यूनिट है पी.पी.सी.एल. (पाइरेट्स फास्फेट्स एण्ड केमिकल्स लिमिटेड) उसमें गंधक की खदान वहीं पर है। गंधक निकालकर सोन गंगा खाद बनती है। खाद बहुत ही बढ़िया होती है। उसका इस्तेमाल भी है, मारकेट भी है, उत्पादन भी हो रहा है लेकिन गवर्नमेंट की गलत पालिसी के कारण अब यह फैसला हुआ, पिछले दिनों यह फैसला किया गया कि बाहर से सल्फ्यूरिक एसिड मंगाएगें और सल्फ्यूरिक एसिड बेस्ड कारखाने के खाद का उत्पादन करेंगे। तो यह गवर्नमेंट पालिसी *vis-a-vis* the officials are concerned. Both are responsible. Will the Government and the Minister agree with it? Will the Minister look into this matter?

SHRI SURESH PRABHU: Sir, it is a very broad question. To manufacture DAP we need sulphuric acid as one of the inputs. Now, the question is this. Whether the import of sulphuric acid is a profitable proposition or the making sulphuric acid in India is a profitable proposition. It would be better if that decision is left to the Board of Directors of that company.

SHRIMATI KAMLA SINHA: I do not agree with this; rather I oppose it. Because the concern that I have mentioned i.e. PPCL is just near the place where mining is done. Sulphur is taken from the mine. The PPCL produces fertilizers, but the brand name is Sone Ganga. Now, suddenly, a few years ago the Government decided that it

will stop mining sulphur from here and import sulphuric acid from other countries, in spite of the fact that the main ingredient which goes into this fertiliser is sulphur. What is the rationale behind it?

SHRI SURESH PRABHU: Sir, as I said, to manufacture DAP we need sulphuric acid as one of the inputs. It is an intermediary. Mining of sulphur is done before this. Now, in this particular case, it could have been found that it was uneconomical to do sulphur mining. Since it is not a part of the question, I do not have a ready answer with me. But this could have been one of the reasons. It could have been found economical to import it rather than actually mining it here and then making sulphuric acid from it. That was why it might have been decided like that by that undertaking. But let me clarify one point. I have not said that this is the total responsibility of one single individual in the organisation. We are talking about the whole system, it is not related to punishment. We should reward a good performing unit as well as good performance within that unit. And the system should be such which helps in this. As Mr. Malhoutra has pointed out that, we are really facing competition from other units as well as from other countries. The PSUs are able to face the challenge which they have before them. The PSUs must be able to perform better. We should not allow them to turn sick just because they do not have enough flexibility, enough capability, to face the competitive atmosphere. (*interruptions*).

MR. CHAIRMAN: That is all.

SHRI DIPANKER MUKHERJEE: Today, you are going to sell IPCL to Reliance or somebody else...(*interruptions*). Today, the IPCL is a good performer. (*interruptions*). What is the idea of talking all this? The IPCL is a good public sector company. The Chief Executive of the company has a big challenge before him when it is being thought of to hand over IPCL to Reliance. Its best competitor is now going to take over. This is what is being talked about throughout the country. This is a policy matter, so far as the public sector is concerned. Let the Government decide what they want to do with the public sectors, let them be clear about it and come out with this policy.

SHRI SURESH PRABHU: I would like to say that there should be a debate on this issue.

गंभीर बीमारियों से पीड़ित व्यक्तियों के पास संसाधनों की कमी

*83. **श्री रमा शंकर कौशिक** : क्या रसायन और उर्वरक मंत्री यह बताने की कृपा करेंगे कि:

(क) क्या सरकार का ध्यान दिनांक 9 नवम्बर, 1999 के "नवभारत टाइम्स" नई दिल्ली में "देश के लोग अनेक गंभीर बीमारियों से पीड़ित, महंगा इलाज करा पाने में अक्षम" शीर्षक से प्रकाशित समाचार की ओर दिलाया गया है; और

(ख) यदि हां, तो इस मामले में सरकार की प्रतिक्रिया क्या है और इन रोगों से पीड़ित व्यक्तियों को कम खर्चीला इलाज उपलब्ध कराने के लिए सरकार क्या कदम उठाएगी?